

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector	(2) MEETING DATE 01/27/2015	(3) CONTACT/PHONE Teresa Andrews-Hurliman 781-5038	
(4) SUBJECT Submittal of a resolution adopting the Countywide Cost Allocation Plan for Fiscal Year 2015-16. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board approve the attached resolution regarding the use of the Countywide Cost Allocation Plan for Fiscal Year 2015-2016.			
(6) FUNDING SOURCE(S)	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>February 11, 2014</u>	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) All Districts			

County of San Luis Obispo



TO: Board of Supervisors

FROM: James P. Erb, Auditor - Controller - Treasurer - Tax Collector

DATE: 1/27/2015

SUBJECT: Submittal of a resolution adopting the Countywide Cost Allocation Plan for Fiscal Year 2015-16. All Districts.

RECOMMENDATION

It is recommended that the Board approve the attached resolution regarding the use of the Countywide Cost Allocation Plan for Fiscal Year 2015-2016.

DISCUSSION

Each year the County prepares the Countywide Cost Allocation Plan as required under Federal Office of Management and Budget Circular A-87 (OMB A-87) to allow for reimbursement of indirect costs from State and Federal agencies.

The Cost Plan is an important document that allocates the costs of central servicing departments (e.g. Administrative Office, Auditor-Controller, Personnel, General Services, County Counsel, etc.) to the departments receiving the services. The Cost Plan also allocates building and equipment use allowance that is based on the cost of the buildings and equipment and their useful lives.

All costs are allocated on a basis that is directly related to the amount of service required, i.e., personnel costs are allocated by the number of employees in each department, building use-allowance is allocated by the square footage used by each department, etc. The purpose of allocating costs is to determine the amount of Countywide overhead each department should include when calculating the total cost of a particular service, program or its entire operation.

Local governments are required to submit a Cost Allocation Plan for each year in which it claims central service costs under federal awards. In addition, The County's Cost Allocation Plan is in compliance with the Board of Supervisors policy to charge for full costs of service where appropriate.

Each year the Plan is submitted to the Office of the State Controller for audit to verify compliance with Federal Guidelines.

The attached resolution provides for the following:

1. All budget units listed in Exhibit A to be billed for Countywide indirect costs to reimburse the General Fund for services provided.
2. General Fund Departments that do not receive a majority of their funding from Federal and State agencies or from fees will be charged 3.5% of budgeted appropriations less fixed assets and countywide overhead.
3. Departments are to include Countywide indirect costs in the computation of fees for services provided to the general public. (Exhibit B lists the rates to be used by each department).

4. Departments are to include allocated Countywide indirect costs when claiming reimbursement on Federal and State grants allowing such costs.

OTHER AGENCY INVOLVEMENT/IMPACT

The resolution has been reviewed by County Counsel as to form and legal effect. The attached exhibits were provided to each of the departments for their review.

FINANCIAL CONSIDERATIONS

It is estimated that the General Fund will recover \$10.5 million of indirect costs during the current fiscal year and \$13.1 million in Fiscal Year 2015-2016.

RESULTS

The Countywide Cost Plan allows for reimbursement for central service department costs from Federal and State agencies. In addition, factors are provided to departments to use in computing total costs for fees to the general public and reimbursement claims filed with outside agencies.

ATTACHMENTS

Exhibit A-Countywide Overhead Charges
Exhibit B-Countywide Overhead Rates
Resolution